

12 Feb.

Dear Brewster & Mary -

How nice to hear from you! Thank you, also, from your postcard from Indonesia. Your trip sounds great!

As you can see, we've moved too. We're in Cshkosh (B'gosh) because Tom has a one year position at the U. Wisconsin branch here. Wisc. is actually a nice change from Baltimore in many ways and we're enjoying our time here (except when it was -20 for a week).

We ran into some friends of yours this past weekend. We were in Boston to attend Peter's wedding and stayed with J.F. & Kristine at the Missing Bell B&B. What a neat house! The breakfasts were terrific too. Peter managed to pick the weekend between snow storms for his wedding, so we didn't have any trouble getting there or back.

Brewster + Mary -

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San., 2/13

Excuse the sloppy penmanship, please. I have adopted the ~~such~~ intentional anachronism of a fountain pen. That and boxer shorts, suspenders, and tie-your-own bow ties makeup my retro gear. And of course there's chopping wood for the fireplace, an activity I've done a lot in Oshkosh this winter. Oshkosh (pop. 55,000) is a fine place to live for a year. I would be happy to teach in the University of Wisconsin system for a longer time than that. I like and respect my colleagues and ~~am~~ find that the students are usually with me in class.

We had a very pleasant stay at the Missing Bell. My parents were there, too. In fact, we'd heard about the place from them and didn't realize that there was a connection to you two until Carol spotted 16 Sacramento St. as an old address we had for you.

The breakfasts were luxurious and the house itself had wonderful decorative details. J.P. asked me what Brewster was like as a bird. "Rowdy," I said. "He liked firecrackers, but there was no mean streak to it." I should have mentioned the

~~author~~ authoritarian patrol leader, too, but I forgot. My brother's wedding was in the Swedenborgian Chapel in Cambridge. He^{er} married Farah Navantaksh, who is originally from Iran, but has been in the U.S. long enough to speak flawless English and became a Neil Young fan. She also has a seventeen-year-old son from a previous marriage. We're all delighted with her. She and Peter are two independent, strong-willed people, but are genuinely committed to each other, which was the message of the ceremony, as they ~~planned~~ planned it. Peter's friends from work, from volunteer activities, from his hockey team, and ^{from} other circles all met and mingled at the reception. We all had occasion to say, "Oh, I never knew that about him," at one time or another, but it was also nice to realize that he displays the same admirable qualities in all his families.

Feb. 24

Sorry to have put this letter down for so long. I graded a stack of exams in the past week and

sent out a slew of job applications to various colleges and universities. I've had a few expressions of interest from potential employers, but no offers. I hope I won't have to settle for another one-year job, but it may be necessary. The most hopeful thing I've heard ~~has~~ ^{has} been from the chairman of the department here, who told ^{me} that the History and English departments may have enough combined vacancies to provide me with full time work next year.

Another History Ph.D. from Johns Hopkins (from the 1970s) invited me to come and give a little talk on an aspect of my dissertation at Duke University, where he teaches. I'm honored to go. Considering the quality of the ~~Dept~~ Department at Duke, I'm reminded of a story in Richard Feynman's autobiography about having to talk about his work in a colloquium including Einstein and the like.

"These are monster minds" is the phrase I think he said he remembered saying to himself, but then they started talking physics and everything was OK.

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Business Day

z C1

TUESDAY, FEBRUARY 8, 1994

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BUSINESS Digest

TUESDAY, FEBRUARY 8, 1994

DOW 30 Industrials	DOLLAR vs. Japanese Yen	OIL Nymex Spot	BONDS 30-Year Treasuries
3,906.32 +34.90	108.56 Yen -0.74 Yen	\$15.25 -\$0.38	6.39% +0.07

Companies

John Sculley quit as chairman of Spectrum Information Technologies, suing the Long Island company's president for fraud. Mr. Sculley contended that he was deceived by the company's management about accounting practices and an S.E.C. investigation. The move comes three and a half months after Mr. Sculley left his job as chairman of Apple Computer. [Page A1.]

Encyclopedia Britannica will enter the information age by offering electronic distribution of its materials to universities and some public libraries via the Internet. [C1.]

Four health care companies announced a merger, creating the nation's second largest home health-care concern. [C4.]

The ouster of the head of Volkswagen's Audi subsidiary has brought an outburst of finger pointing against the Volkswagen's chairman. [C4.]

The Canadian media giant Maclean Hunter removed one obstacle to a takeover bid by Rogers Communications, the Canadian cable company. [C4.]

For the car that has everything, Sony and Etak introduce a computerized navigation system complete with maps, a satellite navigation system and tourist information. [C5.]

'Blue Monday' It Isn't As Dow Regains 34.90

By ANTHONY RAMIREZ

As most of the world's stock exchanges languished yesterday, Wall Street forged ahead in a frenzy of buying, with apprehensions easing, at least for now, that last week's Federal Reserve Board decision to nudge up short-term interest rates would end the three-year bull market.

Stocks across the board benefited from yesterday's surprisingly strong rally, as fears quickly receded of a "Blue Monday," a paler version of the Black Monday of Oct. 19, 1987, when the Dow Jones industrial average plunged 508 points following a Friday fall of 108 points.

Investors had the weekend to listen to financial commentators argue that 1994 did not equal 1987. Many market watchers derided Friday's 96.24-point drop in the Dow as an overreaction to what most pundits called a prudent anti-inflationary move by the Fed, a modest 0.25 percentage-point rise in a key short-term interest rate.

In unusually heavy trading, investors bid up the Dow by 34.90 points, to 3,906.32, led by computer and aluminum stocks. The broader Standard & Poor's 500-stock index inched up 1.95 points, to 471.76, led by electrical equipment stocks. Even the smaller-company measure, the Nasdaq composite index, after a sharp drop early in the session, rallied 1.92 points to 779.20, led by biotechnology stocks.

"Wall Street held a 2 percent off sale and the public came and bought," David Shulman, chief equity strategist for Salomon Brothers Inc., said. The Dow dropped more than 2 percent Friday.

At the nation's largest mutual fund company, Fidelity Investments, "it was an extremely quiet day today," Tracey K. Gordon, a spokeswoman, said. The only detectable change was that investors seemed to be favoring conservative equity funds, like the \$5.3 billion Balanced Fund.

"People have heard the message and gotten it: Don't panic," Ms. Gordon said.

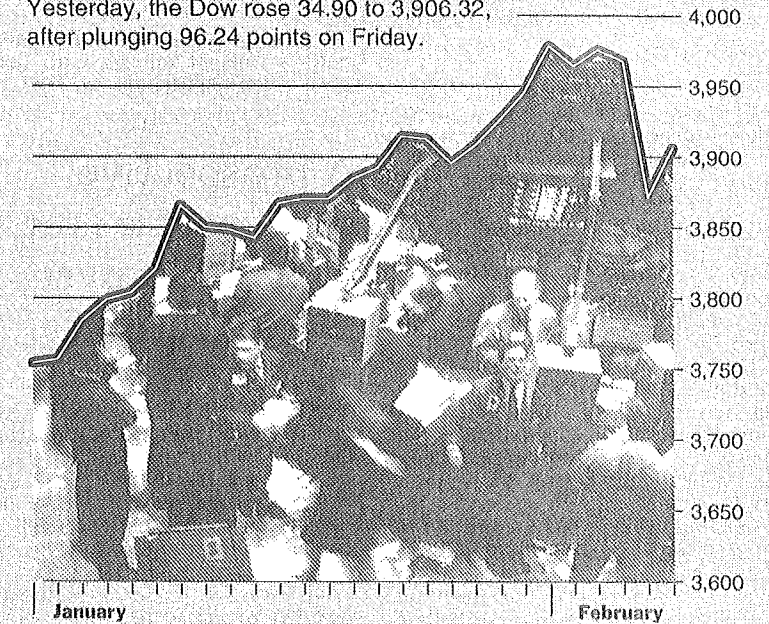
But whether yesterday's session was simply the serene opening to a turbulent week was still unclear. On Friday, the Bureau of Labor Statistics is set to report the January Producer Price Index, which analysts expect to show the first significant rise since April. That kind of bad inflation news could sour the market because investors might conclude that it would force the Fed into raising short-term rates even further later in the year, making everything from consumer mortgages to corporate debt more expensive, and reigniting Wall Street's worries.

Salomon Brothers' economists project that Friday's Producer Price Index will rise about six-tenths of 1 percent, with a "core" rate, stripped of energy and food prices, of four-tenths of a percent. That is above the

A Small Bounce Back

Daily closes of the Dow Jones industrial average, since the beginning of the year.

Yesterday, the Dow rose 34.90 to 3,906.32, after plunging 96.24 points on Friday.



Source: Datastream

The New York Times; photograph by Chester Higgins Jr./The New York Times

consensus core rate of between two-tenths and three-tenths of a percent. "If we're right, things could be a little messy," Mr. Shulman said, referring to a possible stock market drop Friday. The market would then expect more Fed tightening, he said. Indeed, Mr. Shulman, expects some

market correction as investors try to anticipate a further interest rate rise of a half to three-quarters of a point over the next few months.

Also, United States bonds fell yes-

Continued on Page C6

Prospects Dim for U.S.-Japan Accord

By ANDREW POLLACK

Special to The New York Times

TOKYO, Feb. 7 — Just days before Prime Minister Morihiro Hosokawa is to meet President Clinton in Washington, prospects for meaningful new trade agreements seem to have grown dimmer.

What's more, Mr. Hosokawa's withdrawal of a plan to stimulate Japan's economy by cutting income taxes, something the United States has been pressing for, could also cast a cloud over the meeting this Friday.

Numerical Goals

The deadlock in the trade talks is over whether agreements on automobiles, insurance and other sectors will include numerical goals for increasing access to Japan's market. At a news conference here on Friday, Mickey Kantor, the United States trade representative, said that Tsutomu Hata, Japan's Foreign Minister, had "neither accepted nor rejected" the American view about numerical goals.

The Japanese, however, told Mr. Kantor last week that Japan would not accept targets and that it was time for Washington to modify its approach. If Mr. Hata did not speak up, they said, it was only to avoid an argument.

Leaving Tokyo on Friday after three days of high-level talks, Mr. Kantor warned that if no agreements were reached before the meeting, Washington might resort to "other options," an allusion to sanctions.

Still, both nations have a strong incentive to avoid injuring their relationship if the meeting does not go smoothly. In the past, seemingly hopeless negotiations have been rescued in a series of last-minute all-night sessions that produce a fuzzily

worded document that both sides declare a victory. In this case as well, there seems to be some room for such a compromise.

There has also been some movement on more detailed issues, so that if the key question regarding targets is resolved, the rest of the negotiations can be concluded. Japan on Friday announced a new plan to change Government buying of equipment like computers. And the two nations have agreed to cooperate in areas like advanced transportation systems and AIDS research and prevention.

Mr. Kantor came here as President Clinton's special emissary to urge Japan's top politicians to take an

A prospective trade pact is at an impasse over numerical goals.

interest in the trade negotiations and not leave everything to bureaucrats, who have less room to be flexible. At his news conference on Friday, Mr. Kantor said "a new structure has been set up at the political level" to conduct the negotiations, with Mr. Hata taking charge for Japan.

But even as Japanese politicians were promising to pay attention to trade, their minds were elsewhere on Friday, when Mr. Hosokawa withdrew a one-day-old plan to cut income taxes and was struggling to hold his fragile ruling coalition together. Some members of the coalition vehemently opposed Mr. Hosokawa's proposal to make up for the income tax

cut by more than doubling the sales tax, starting in 1997.

In addition to preventing politicians from focusing on the trade talks, the dispute over tax reform could have another deleterious effect on the meeting of the two leaders. A big economic stimulus package, which would tend to increase Japan's purchases of imported products, was going to be a crucial part of what Mr. Hosokawa took to Washington. It would show that Japan was making progress on its promise, contained in last year's framework agreement, to take steps to achieve a "highly significant reduction" in its current account surplus.

But Mr. Hosokawa has shown — in the case of political reform legislation — that he is able to bounce back from seeming defeat and forge compromises, so some Japanese officials think a new stimulus package will be announced this week.

Reasons to Stand Firm

On the issue of numerical targets, the United States has reasons to stand firm. History has shown that Japan has caved in under American pressure rather than face sanctions or hurt relations with its main ally and trading partner. This time Japan faces an additional threat: If there is no agreement, the yen is likely to rise again, choking the nation's automobile and electronics exports.

Moreover, while Japan now professes an ideological abhorrence to "managed trade," it has agreed on previous occasions, like the semiconductor negotiations, to goals, though not guarantees.

Japan says it will not do so again because the United States misinterprets such goals as commitments and punishes Japan when they are not met. This explanation suggests that Japan's objection is more to punish-

Digital to Make Advanced Chip

SUNNYVALE, Calif., Feb. 7 (Reuters) — Aiming to grab a larger share of the global computer chip market, Advanced Micro Devices Inc. said today that the Digital Equipment Corporation would manufacture its 486 microprocessors at Digital's plant in South Queensferry, Scotland.

Advanced Micro has been pursuing a foundry partner to increase production of the chips for several months, as the company moves to take on the Intel Corporation, the market leader.

The agreement is for two years, with an option to extend it at the end of the period. Financial terms of the deal were not disclosed.

ment than to goals themselves. It might agree to goals if there were some assurances that Washington would not resort to sanctions.

For its part, Japan also believes the United States will yield. Japanese officials say that many officials in the Clinton Administration, although they cannot speak out publicly, do not believe in targets. The President, they point out, said in a speech here in July that the United States is not seeking "so-called trade by the numbers." They also think Washington can be persuaded to trust Prime Minister Hosokawa, who has pledged to deregulate the economy.

One senior Japanese official said his Government was not worried that failure to agree to numerical goals would rupture bilateral relations. "The U.S.-Japan relationship is not that fragile that it would collapse over that single problem," he said.

Britannica's Words Go On Line on the Internet

Continued From First Business Page

for each article in the encyclopedia to refer to other related works and illustrations. It also seamlessly links together the four components of the encyclopedia: the macropedia, which is the extended version; the micrope-
dia, which is the condensed version; the index, and a broad outline of world knowledge called the propedia.

To organize the more than 300 million characters of text and 2,000 illustrations, the Encyclopedia Britannica is using information retrieval software developed by WAIS Inc., a Menlo Park, Calif., software developer.

To search the electronic version, students will use networked personal computers and work stations running a program known as Mosaic, developed at the National Center for Supercomputer Applications at the University of Illinois at Champaign-Urbana. The software displays documents and illustrations and highlights words and phrases that have links to other documents. By clicking on a highlighted block of text or illustration, it is possible to retrieve a related document automatically from the Encyclopedia Britannica database.

Encyclopedia Britannica executives said they would probably price the encyclopedia to universities on a subscription basis, depending on the number of students on campus. However, they said they were still considering a variety of pricing methods for general commercial distribution.

One possible plan may be to charge on a reference-by-reference basis. That is made possible by the WAIS and Mosaic software. Currently, on-line encyclopedias are provided as standard service by on-line publishers like Compuserve, America Online and Prodigy.

Encyclopedia Britannica executives said they had decided to become electronic publishers rather than allying themselves with an existing on-line service because of the economic costs.

"The main reason we're doing it ourselves is that you just can't make any money licensing your content," said Joseph J. Esposito, president of Encyclopedia Britannica North America. "If you do believe that content is king, it's rather unfortunate that so many of the content providers have put themselves in a position where they're held hostage to the on-line services."

The Encyclopedia Britannica had an earlier experiment with on-line information delivery via the Mead Data Corporation but the agreement ended in 1985 when the two companies could not agree on development costs.

"We're creating a new market for content providers," said Larry Smarr, director of the National Center for Supercomputer Applications, which developed the Mosaic browser software. "Here is a whole world of people who are using cyberspace as their information stream. They are all potential customers for commercial information providers."

COMPANY INDEX

Page numbers refer to the beginnings of articles. A dagger (†) denotes a parent company not directly mentioned in an article about a subsidiary.

"ER" in the page column refers to an entry in the Company Earnings report, which today begins on page C2 (for banks, page C17).

COMPANY EARNINGS

For periods shown, (N) indicates stock is listed on the New York Stock Exchange.

LOCKHEED CORP. (N)

Finning Ltd.

1993

Lancaster Colony (NMS)

1992